



**Eddie Baza Calvo**  
Governor  
**Ray Tenorio**  
Lieutenant Governor

DEPARTMENT OF ADMINISTRATION  
(DIPATTAMENTON ATMENESTRASION)  
**DIRECTOR'S OFFICE**

(Ufisinan Direktot)  
Post Office Box 884 \* Hagåtña, Guam 96932  
TEL: (671) 475-1250 \* FAX: (671) 477-6788



**Christine W. P. Baleto**  
Director  
**Anisia Terlaje**  
Deputy Director

**MAY 26 2016**

Procurement No. **DOA/HRD-RFP-GHI-17-001**

Dear Prospective Offeror:

*Buenas yan Hafa Adail*

We would like to thank you for your interest in submitting a proposal to provide health insurance services to the Government of Guam's Group Health Insurance Program.

On an annual basis, the Government of Guam issues a Request for Proposal (RFP) to interested health insurance companies licensed to do business on Guam under the laws of Guam, to provide group health insurance coverage to Government of Guam employees, retirees, survivors, and foster children under Department of Public Health. Therefore, this is to invite your company to submit a proposal to this RFP. Negotiations are scheduled for the month of July.

To register as an interested company, you must complete and email the "Acknowledgement of Receipt of RFP" form to [leonora.candaso@doa.guam.gov](mailto:leonora.candaso@doa.guam.gov); [adrian.peregrino@doa.guam.gov](mailto:adrian.peregrino@doa.guam.gov) and [cindy.chung@kornferry.com](mailto:cindy.chung@kornferry.com). In the event any amendments to the RFP are issued, the acknowledgement will ensure that all interested parties are informed of such change(s).

Thank you in advance for your response and we look forward to working with your company.

Christine Baleto, Director  
Department of Administration



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**ACKNOWLEDGEMENT OF RECEIPT OF RFP**

**Procurement No.: DOA/HRD-RFP-GHI-17-001**

**Attention:** Human Resources Division, Employee Benefits Branch

**From:** \_\_\_\_\_

**Subject:** Registration of interest to provide Health Insurance services  
FY 2017 Health Insurance Program

To register as an interested company, you must complete and email the following information to the following individuals: [leonora.candaso@doa.guam.gov](mailto:leonora.candaso@doa.guam.gov), [adrian.peregrino@doa.guam.gov](mailto:adrian.peregrino@doa.guam.gov) and [cindy.chung@kornferry.com](mailto:cindy.chung@kornferry.com). The Negotiating Team cannot guarantee that your company will receive any amendments or notices to the RFP that may be issued unless the information below is completed and submitted as provided herein. Once your Acknowledgement has been received, you will receive instructions on how to upload your electronic version of the proposal to a secure file transfer site (SFTS). This SFTS tool was developed to provide a secure method for facilitating file transfers from outside parties. All carriers are advised to register as soon as the RFP is retrieved from the DOA website.

<b>Date:</b>	
<b>Company Name:</b>	
<b>Contact Person &amp; Title:</b>	
<b>Contact Information:</b>	Telephone No.: (    )
	Facsimile No.: (    )
	E-Mail address:
	E-Mail address:
<b>Mailing address:</b>	
<b>Street address:</b>	





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Procurement No.: **DOA/HRD-RFP-GHI-17-001**

Description: **FY 2017 Health Insurance Program**  
**Request for Proposal (RFP)**

**SPECIAL REMINDER TO PROSPECTIVE OFFERORS**

Offerors shall carefully read all sections of this Request for Proposal (RFP) and be informed of all its terms and conditions. Offerors are especially alerted to the sections entitled **"Proposal Contents and Requirements"** in the RFP, and are asked to ensure that all required documents and information are included in their proposal.

Compliance with the following is mandatory, but not inclusive of all the requirements of the RFP:

- ▢ Carriers are advised to produce 1 original and 15 duplicate copies of their proposal. The original and fourteen (14) numbered copies must be sent to the Department of Administration at the address indicated in this RFP. The original should be clearly marked as original and the 14 copies numbered as 1 of 14, 2 of 14, etc. The remaining 1 copy must be sent to the Negotiating Team's consultant, Hay Group, at the address indicated in this RFP.
- ▢ To be qualified, pursuant to Title 4 GCA § 4302(c), an offeror shall submit a proposal made up of two parts; first an exclusive proposal, and second, a non-exclusive proposal, and meet the minimum requirements specified in the RFP (see Exhibit A for list).
- ▢ An exclusive proposal means a proposal based upon the assumption that the Government will contract with only one health insurance provider that is selected by the Negotiating Team from up to three different Health Insurance Carriers that all negotiate best and final offers with the Negotiating Team.
- ▢ A non-exclusive proposal means a proposal based upon the assumption that the Government may contract with up to three health insurance carriers that negotiate best and final offers with the Negotiating Team. If only two Health Insurance Carriers submit qualified proposals, the Non-exclusive proposal shall mean a proposal based upon the assumption that the Government will contract with more than one Health Insurance Carriers that negotiate best and final offers with the Negotiating Team.
- ▢ As set out hereafter, the exclusive proposal and the non-exclusive proposal shall be submitted together as a single submittal by each offeror.
- ▢ Each proposal must be organized, fully assembled and complete.
- ▢ All offerors should submit their cost proposal within the original response.
- ▢ Affidavit Forms
  - A. The Government requires five (5) different Affidavits and one (1) Declaration Form (Exhibit L Forms A, B, C, D, E & F.

- B. Form A, Affidavit Disclosing Ownership and Commissions must be made between the dates of issuance of this RFP and the dates that proposals are due, so long as the ownership listing mentioned in the Affidavit is for the 365 day period preceding the date the offeror submits the proposal.
- C. One original of each form and fourteen (14) copies of each form must be submitted. The original form shall be submitted with the original proposal and the copies shall be submitted with the proposal copies. One (1) duplicate copy of the form must also be included in the Negotiating Team consultant's packet.

- ▯ The Questionnaire and Pricing information provided in Excel format with the RFP package, must be completed and returned in Excel format, **as well as in PDF format** to ensure no changes were mistakenly made to the excel file during our analysis phase. Each proposal type, exclusive and non-exclusive, must have the excel format responses completed entirely.

Once the Acknowledgement form has been received from the potential bidder, they will receive instructions on how to upload the electronic version of the entire proposal.

This SFTS tool was developed to provide a secure method for facilitating file transfers from outside parties. Once instructions have been received, it is recommended that offerors review the instructions and upload a test file to ensure there are no issues or questions with uploading.

- ▯ Copies of the Negotiating Team's desired plan designs and alternatives are included with this RFP. Offerors must specify in their proposal any components to which they cannot comply and any changes they desire to the proposed plan design.
- ▯ Pursuant to Title 4 GCA § 4302(g), health insurance carriers contracted with the Government must provide specific claim level detail to the Government. This information is to be distributed to interested health insurance carriers to aid in their bid for the Government's business. Due to the large size of such files, this information will be made available via SFTS to only those offerors who return an Acknowledgment Form to the Government by the Form deadline. Instructions will then be emailed to the email addresses listed on the Forms. In addition, in Exhibit F is provided a monthly claims summary by coverage.

**For Insured and Reinsurance Proposals:**

- ▯ All reinsurers that assume accident and health risks ceded by the offeror must be licensed to transact reinsurance business in Guam. A copy of the current certificate of authority of the insurer and the reinsurer and a summary of each reinsurance treaty (is) must be submitted together with the proposal.
- ▯ The offeror must submit a copy of the reinsurance agreement or reinsurance treaty that transfers the risks for accident and health insurance. The submitted reinsurance agreement or reinsurance treaty must be duly authenticated by the reinsurer as the entire agreement between the offeror and the reinsurance company.

**For Administration and Reinsurance Proposals:**

- ▯ All offerors must be licensed to transact reinsurance business in Guam. A copy of the current certificate of authority of the administrator and the reinsurer must be submitted together with the proposal.

**For all Proposers:**

- ▯ Adherence to the Administrative Procedures and the Marketing Guidelines is required.
- ▯ Offerors must read and review the Marketing Guidelines (Exhibit O) and sign and submit the Marketing Guidelines along with their proposal.
- ▯ Offerors must read and review the Reporting Guidelines (Exhibit Q) and sign and submit the Reporting Guidelines along with their proposal.
- ▯ Offerors must read and review the Wellness & Fitness Benefit (Exhibit Y). A signed copy must be submitted along with their proposal.
- ▯ Offerors must read and review the Affirmation that Plan Designs are consistent in all Material Respects (Exhibit X). A signed copy must be submitted along with their proposal.

- ▯ Premium, Enrollment and Claim information is included in the RFP as Exhibit D through Exhibit F.
- ▯ This solicitation does not commit the Government of Guam to enter into negotiations, award a contract, to award an exclusive contract, to award non-exclusive contracts, to pay costs incurred, or contract for any services.
- ▯ The Government of Guam will conduct the health insurance program in compliance with all Federal and local statutes.
- ▯ Prospective offerors are required to register as an interested party by completing the "Acknowledgement of Receipt of RFP" and submitting the Acknowledgement of Receipt as soon as possible.
- ▯ Questions regarding this RFP must be submitted in writing and received by the Director of the Department of Administration as instructed in the RFP. **Prospective offerors are encouraged to submit their questions as soon as it has been formulated.**
- ▯ Proposal due dates:

All hard copies of proposals, including a printed copy of the excel file, must be received by the Director of the Department of Administration no later than **4:00 p.m., June 24, 2016, Chamorro standard time**. Hard copies of the entire proposal (including hard copies of the Questionnaire and Pricing portions) must be received by this due date and will be the determining factor for the purpose of timely submission. Hard copy of proposals received after this time and date will not be accepted. An electronic version of the proposal must also be uploaded to the secure file transfer site no later than **4:00 p.m., June 24, 2016 Chamorro, standard time**.

Detailed uploading instructions will be sent once the proposer's acknowledgement form is received.

This SFTS tool was developed to provide a secure method for facilitating file transfers from outside parties.

- ▯ RFP packages are available online at the Department of Administration's website at [www.hr.doa.guam.gov](http://www.hr.doa.guam.gov).





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**DEPARTMENT OF ADMINISTRATION**

Procurement No.: **DOA/HRD-RFP-GHI-17-001**  
**FY 2017 GROUP HEALTH INSURANCE PROGRAM**  
**REQUEST FOR PROPOSAL**  
**(RFP)**

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## I. GENERAL INFORMATION

### **A. Purpose and background**

Pursuant to Title 4, Chapter 4 of the Guam Code Annotated, Section 4301, the Governor of Guam is authorized to enter into contracts and reject proposals with one or more insurance companies for group insurance including but not limited to hospitalization, medical care, life and accident. In connection with such group benefits, the Government of Guam (Government) is accepting proposals from interested and qualified health insurance companies (including health maintenance organizations), and/or Third Party Administrators coupled with Reinsurance, licensed under applicable Guam laws, to provide health insurance coverage for eligible Government of Guam active employees, retired employees, survivors of retired employees and their covered dependents. This RFP is also issued to contract with health insurance carrier(s) to cover foster children under the Department of Public Health. All health insurance companies and/or Third Party Administrators coupled with Reinsurance must be licensed and comply with all regulatory requirements as promulgated by the Guam Insurance Commissioner, pursuant to the Insurance Statute of Guam and other applicable laws.

The intent, pursuant to Title 4 GCA §4302(c), is to present to the Governor of Guam one exclusive negotiated proposed contract for consideration, and up to three non-exclusive negotiated proposed contracts for consideration, for the requested services. The governor will then choose to enter into one exclusive contract, or enter into up to three non-exclusive contracts for the requested services. The employees and retirees of the Government of Guam will be offered either the exclusive contract or the non-exclusive contracts based upon the selection by the Governor. Note the government of Guam, as subscriber of insurance coverage for qualified foster children, may subscribe with one insurance carrier.

All qualified proposals, consisting of one exclusive proposal and one non-exclusive proposal, will be reviewed, evaluated and scored separately by the Negotiating Team. The Negotiating Team is established pursuant to Title 4 GCA §4302. The top three ranked exclusive proposals and the top three ranked non-exclusive proposals will be chosen, and those offerors will enter into negotiations with the Negotiating Team.

At the conclusion of negotiations, the Negotiating Team will use established criteria stated in the RFP and rank the three exclusive negotiated agreements. The top ranked exclusive negotiated agreement and up to three non-exclusive negotiated agreements will be presented to the Governor. The Governor will choose to execute either the one exclusive agreement, or up to three non-exclusive agreements. The executed contract or contracts will be offered to the employees and retirees of the Government of Guam.

We are looking for a one-year rate quote.

Currently, the Government has three (3) health insurance carriers: NetCare, Selectcare and TakeCare. Each carrier offers two (2) plans: HSA 2000 and PPO 1500 deductible plans. All three (3) are preferred provider organizations. Carriers must refer to the required plan designs and options for the description of FY2017 desired plan designs. **PLEASE NOTE! The required plan designs for FY2017 have changed from the FY 2016 plans.**

There are approximately 19,000 eligible Government of Guam employees, retirees and survivors. There are approximately 200 foster children currently enrolled in the Foster Plan. Please refer to enrollment census data for those enrolled in the insurance plan.

The Group Health Insurance Rules and Regulations promulgated by the Department of Administration in April 1986, and the Rules of Procedure for the Negotiating Team promulgated in November 2013 are attached as Exhibit U.

### **B. General authority for procurement**

The Negotiating Team is issuing this Request for Proposal (RFP) subject to the competitive selection procedures for professional services found in the Guam Procurement Law (Title 5 GCA § 5001, *et seq.*) and its regulations (Title 2 GAR Div. 4 § 1101, *et seq.*) Specifically, the procedure for this RFP is found at Title 2 GAR Div. 4, § 3114 and its subsections. Section 3114 is quoted in its entirety in Exhibit M. There may be additional provisions of the Guam Procurement Regulations found at Title 2 GAR, Div. 4. §§1104 -12601 applicable to the procurement that are not duplicated in Exhibit M. Furthermore, Title 4 GCA §§ 4301 and 4302 require the acquisition of group health insurance for government employees, retirees and survivors by virtue of a Request for Proposal.

The Guam Code Annotated (GCA) and the Guam Administrative Rules and Regulations (GARR) are available from the web site of



Guam's Compiler of Laws found at <http://www.guamcourts.org/CompilerofLaws/index.html>.

Nothing in this RFP or any process carried out pursuant to this RFP is meant to confer a right to any offeror to be awarded a contract or a right to enter into a contract with the Government.

**C. All parties to act in good faith**

The Guam Procurement Law and the Guam Procurement Regulations require that all parties involved in the preparation of proposals; the preparation of the RFP; the evaluation and negotiation of proposals; and the performance or administration of contracts to act in good faith.

**D. Liability for costs to prepare proposal**

The Government is not liable for any costs incurred by any offeror in connection with the preparation of its proposal. By submitting a proposal, the offeror expressly waives any right it may have against the Government for any expenses incurred in connection with the preparation of its proposal.

**E. Applicability of Guam Procurement Law and Guam Group Benefits Law**

If any part of this RFP is contrary to the Guam Procurement Law (Title 5 GCA §§ 5001-5908), Guam Procurement Regulations (Title 2 GAR Div. 4 § 1101. - 12601), or Guam Group Benefits Law (Title 4 GCA §§ 4301 – 4308) or contains ambiguous terms, then such portion of the RFP shall be interpreted or resolved in favor of or according to the provisions of these laws and regulations.

**F. Licensing and other statutory requirements**

All offerors must comply with Guam laws and procurement regulations and should provide a copy of a current Certificate of Authority issued by the Insurance Commissioner of Guam at the time of proposal submission. In the event any risks for accident and health is reinsured or transferred by the offeror to a reinsurance company, the reinsurer that assumes the risk must also have a current Certificate of Authority to transact reinsurance business on Guam. Any offeror that fails to submit the required copy of Certificate(s) of Authority and insurance license will not be permitted to enter into negotiations with the Negotiating Team. The requirements of having a Certificate of Authority by an insurance company and insurance licenses shall be continuous and shall be maintained during the period the carrier maintains an insurance service contract with the Government.

**G. Registration as interested party or offeror and fee for RFP**

The RFP is available on-line at the Department's web site without charge at [www.hr.doa.guam.gov](http://www.hr.doa.guam.gov).

All parties who receive an RFP and who are possibly interested in submitting a proposal must register as an interested party by filling out the "Acknowledgment of Receipt of RFP" form and delivering it as instructed within the time permitted. Only registered companies are assured of receiving any amendments to the RFP and responses to inquiries.

**H. Restrictions against sex offenders**

If a contract is awarded, then the offeror must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Title 9 GCA Chapter 25 or of an offense defined in Title 9 GCA Chapter 28 Article 2, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offense Registry, shall provide services on behalf of the offeror while on Government property, with the exception of public highways.

If any employee of an offeror is providing services on Government property and is convicted subsequent to an award of a contract, then the offeror warrants that it will notify the Government of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on Government property.

If the offeror is found to be in violation of any of the provisions of this section, then the Government will give notice to the offeror to take corrective action. The offeror shall take corrective action within twenty-four hours of such notice, and the offeror shall notify the Government when action has been taken. If the offeror fails to take corrective steps within twenty-four hours of notice, then the

Government in its sole discretion may suspend temporarily the contract until corrective action has been taken.

**I. Duration of contract**

The duration of any contract resulting from this RFP shall be for one year from October 1, 2016 through September 30, 2017.

**J. Confidentiality and proprietary information**

Pursuant to the procurement law, after an award of a services contract, the contract and proposal become public record. Proposals that are not awarded a contract remain private and the Government may not disclose them to the public. The full procurement record also becomes public record, including the proposals of awarded offerors except for those portions designated as confidential. **Offerors must identify in their cover letter** what items they deem proprietary and request that those items be maintained in confidence in addition to marking those specific items in their proposal. See Title 2 GAR, Div. 4 §3114(h)(2), found at Exhibit M of this RFP (page 65).

Prospective offerors are advised that rate information contained in the best and final offer will be communicated to the Governor and the Legislature.

**K. Time is of the essence**

The Government intends for the services requested by the RFP to go into effect on October 1, 2016. An offeror awarded a contract must file the health insurance policy with the Insurance Commissioner of Guam at least forty-five (45) days prior to the policy's effective date of October 1, 2016 and pay the applicable fees. No health insurance policy or endorsement shall become effective unless filed with the Insurance Commissioner for approval at least forty-five (45) days prior to its effective date. According to Title 22 GCA § 18311, failure to follow this time frame is a crime. Section 18311 provides:

Any person violating any of the provisions of this article shall be guilty of a misdemeanor, and shall, upon conviction be subject to a fine of not more than one thousand dollars (\$1,000.00) if the person convicted is not a natural person, or if the person convicted is a natural person, a fine of not more than five hundred dollars (\$500.00) or imprisonment of not more than six (6) months, or both such fine and imprisonment.

Furthermore, the insurance laws prohibit advertisement of any rates unless the rates are filed with the Insurance Commissioner at least forty-five (45) days prior to the effective date of the rates or the advertisement of the rates, whichever comes first. Persons violating this provision are subject to a civil fine of up to \$5,000.00 pursuant to Title 22 GCA § 18504.

Therefore, time is of the essence, and all registered interested parties and potential offerors are asked to keep the applicable laws in mind, and to act accordingly.

**L. Authority of Negotiating Team's Consultant**

The Negotiating Team has contracted with a private consultant, Hay Group, Inc., to assist the Negotiating Team with this procurement. All proposals will be reviewed by the Negotiating Team and its consultant. The consultant is authorized to communicate with any offeror or registered party and to request and obtain information.

**M. Type of contract**

The contract to be awarded is a Fixed Price contract.

**N. Other Information**

- a. This solicitation may be cancelled as provided for in the Guam procurement law and regulations.
- b. Any proposal may be rejected in whole or in part when in the best interest of the Territory of Guam as provided for in Guam procurement law and regulations

#### **O. Minimum Wages as Determined by U.S. Department of Labor**

The offeror awarded a contract under this solicitation agrees to comply with Title 5, Sections 5801 and 5802. In the event that the offeror employs persons whose purpose, in whole or in part, is the direct delivery of service contracted by the Government, then the offeror awarded a contract under this solicitation shall pay such employees, at a minimum, in accordance with the U.S. Department of Labor Wage Determination for Guam and the Northern Marianas Islands in effect on the date of a contract. In the event that the contract is renewed by the Government, the offeror awarded a contract under this solicitation shall pay such employees in accordance with the Wage Determination for Guam and the Northern Marianas Islands promulgated on a date most recent to the renewal date.

The offeror awarded a contract under this solicitation agrees to provide employees whose purpose, in whole or in part, is the direct delivery of service contracted by the Government those mandated health and similar benefits having a minimal value as detailed in the U.S. Department of Labor Wage Determination for Guam and the Northern Marianas Islands, and guarantee such employees a minimum of ten (10) paid holidays per annum per employee.

The current U.S. Department of Labor Wage Determination for Guam and the Northern Marianas Islands is attached hereto at Exhibit L, Form E.

#### **P. Patient Protection and Affordable Care Act Benefits To Continue**

It is the intent of this RFP, and the contract to result from it, to enter into an agreement that provides for all of the benefits, rights and responsibilities afforded as a result of the Patient Protection and Affordable Care Act (Public Law 111-148), and the regulations promulgated under the authority of the Act.

#### **Q. Experience Participation Ratio**

Consistent with Guam law, for purposes of any contract entered into as a result of this RFP, Target Experience means the amount calculated by multiplying (1) the total premiums earned by the Health Insurance Provider for the full twelve (12) month Plan Year ending the last day of the fiscal year under the Participating Policies issued to the government of Guam with respect to such Plan Year, by (2) **a percentage not lower than eighty-six percent (86%)**; Actual Experience means an amount calculated by subtracting from the Target Experience all claims incurred during such Plan Year by the Health Insurance Provider under all the Participating Policies; and Experience Refund means a positive Actual Experience. See Title 4 GCA §4302.3(g).

### **II. PROPOSAL CONTENTS, REQUIREMENTS AND INSTRUCTIONS**

#### **A. Proposal contents and requirements**

##### **INSTRUCTIONS CONSISTENT WITH P.L. 31-197.**

A qualified proposal shall consist of two independent proposals: an exclusive proposal and a non-exclusive proposal. To be **qualified**, pursuant to Title 4 GCA §4302(c), an offeror shall submit a proposal made up of two parts; first, an exclusive proposal, and second, a non-exclusive proposal, and meet the minimum requirements specified in the RFP (see Exhibit A for list).

An **exclusive proposal** means a proposal based upon the assumption that the Government will contract with only one health insurance provider that is selected by the Negotiating Team from up to three different Health Insurance Carriers that all negotiate best and final offers with the Negotiating Team.

A **non-exclusive proposal** means a proposal based upon the assumption that the Government will contract with three health insurance carriers, that negotiate best and final offers with the Negotiating Team. If only two Health Insurance Carriers submit qualified proposals the *Non-exclusive proposal shall* mean a proposal based upon the assumption that the Government will contract with two Health Insurance Carriers that negotiate best and final offers with the Negotiating Team.

In this RFP, if the context so requires, any reference to 'proposal' is a reference to both the exclusive proposal and the non-exclusive proposal.

All proposals must be in writing and contain the following information in the order listed below:



1. Cover letter. Include the name of the offeror, the location of the offeror's principal place of business and type of business. The offeror shall designate a contact person and include his or her address and contact numbers, including e-mail address, if different from the offeror's. The designated person must be able to answer any questions asked by the Negotiating Team and its consultant regarding the offeror's proposal and must be able to negotiate the fee and other contract terms. Obligations committed by such signatures must be fulfilled.
2. Acknowledgment of receipt of amendments. If the Negotiating Team issues any amendments to the RFP, the offeror must acknowledge receipt of each individual amendment in its cover letter.
3. Acknowledgement of responses: If the Negotiating Team issues any responses to questions received about the RFP, the offeror must acknowledge receipt of each individual response in its cover memo.
4. Description of company. The offeror must provide a brief description of its company, its capabilities and other information which illustrates to the Negotiating Team the level of expertise with which the company can provide the services requested.
5. Authorized signature. All proposals and Exhibit X must be signed with the firm name and by an authorized officer, representative, agent, or employee of the offeror. Proof of authority may be requested by the Negotiating Team.
6. Administrative and Marketing Guidelines. All offerors are required to review and sign the Administrative and Marketing Guidelines and submit such with their proposal.
7. Wellness and Fitness Benefit. All offerors are required to review and sign the Wellness and Fitness Benefit Requirements (Exhibit Y) and submit such with their proposal.
8. Consistency with 2 GAR Div. 4, § 3114(f)(2). The Guam Procurement Regulations at Title 2 GAR Div. 4, § 3114(f)(2) describes the minimum factors the Negotiating Team must evaluate in proposals. Those minimum factors are:
  - (A) the plan for performing the required services to include timelines to conduct the services, and explaining how the services will be performed;
  - (B) ability to perform the services as reflected by technical training and education, general experience, specific experience in providing the required services, and the qualifications and abilities of personnel proposed to be assigned to perform the services;
  - (C) the personnel, equipment, and facilities to perform the services currently available or demonstrated to be made available at the time of contracting and during the term of any resulting contract; and
  - (D) number of year's offeror's business has been in existence and a record of past performance of similar work to include a listing of other contracts under which services similar in scope, size or discipline to this RFP have been undertaken with contact names, addresses, and telephone numbers.

All offerors must substantiate their ability to provide the insurance services requested in this RFP consistent with the minimum factors described in § 3114(f)(2). Please see Exhibit M for a copy of § 3114.
9. Financially Stable. The offeror must demonstrate that it is financially capable to perform the scope of services under the RFP. At a minimum, a proposal must contain satisfactory responses to the following:
  - a. Each offeror must provide the most recent audited financial statements for the healthcare insurance business only for the underwriting insurance company.
  - b. Each offeror must provide the most recent Annual Statement and Risk-Based Capital Report that has been filed with the National Association of Insurance Commissioners.

- c. The insurance company or third party administrator must also provide proof that it has errors and omissions insurance that will suitably protect the Government, or proof in the form of a written statement indicating that it is willing to obtain the errors and omissions insurance.
  - d. If some part or all of the funds of the plan are to be held by an administrator, the administrator must also provide its most recent audited financial statements and proof that it has errors and omissions insurance, or proof in the form of a written statement indicating that it is willing to obtain the errors and omissions insurance.
  - e. Each offeror must also indicate the amount of any payment obligations for eligible services rendered by the Guam Memorial Hospital, other hospitals, physicians, and other health service providers which are outstanding. The information for each must be separate.
  - f. Each offeror must indicate the amount of any potential payment obligations which are unpaid pending utilization review.
  - g. If the offeror contracts with a third party for utilization review services, the offeror must indicate the cost of such services.
10. Submission of Guam business license. All offerors, to include reinsurers and underwriters, must submit a copy of a current Guam business license. If a current license or licenses have not been obtained yet, then they must be obtained and copies submitted prior to conclusion of negotiations, and the cover letter must explain that the offeror does not have a current Guam business license or licenses. If a copy of the required business licenses is not submitted by the time and date that all the terms and conditions of a contract are agreed to between the parties, then negotiations shall terminate and the offeror will be disqualified on the basis of being non-responsible.
  11. Submission of cost proposal. All offerors must submit a cost proposal with their exclusive proposal and a cost proposal with their non-exclusive proposal. Please see Exhibit P. All offerors are required to submit fully insured medical and dental premiums and rates at a minimum. This information will be used along with current enrollment information to assist the Negotiating Team and its consultant in analyzing the cost portion of the proposal. The cost experience data must include the amounts spent in each of the categories specified in Section 500.3, paragraphs a through i of the group health insurance rules attached as Exhibit U. To assist with the offeror's preparation of its proposal, the Negotiating Team has provided certain information attached to this RFP and designated as Exhibits D, E, F, G, H, I, J, K and P.
  12. Proposed plan design. Copies of the Negotiating Team's desired plan designs and alternatives are included with this RFP. Offerors must specify in their proposal any component to which they cannot comply and any changes they desire to the proposed plan design. **Offerors must execute Exhibit X and submit it with their proposal.**
  13. Responses to all questions in Exhibit B, Parts 1 & 2 and Exhibit P. All offerors must answer questions found in Exhibit B, Parts 1 & 2 and Exhibit P and attach the responses to both their exclusive and non-exclusive proposals. These answers need to be submitted on the enclosed excel format provided in the RFP package, as well as in PDF format, within the formal response.
  14. Submission of disclosure forms. The Guam Procurement Law requires each offeror to make a number of disclosures. Some of the disclosures are required for an offeror to qualify to submit a bid or a proposal. An explanation of each disclosure follows. For the ease of making these required disclosures, the Negotiating Team is providing sample disclosure forms. There are six (6) disclosure forms labeled Forms A through F, and they are found in Exhibit L. They must be completed and included with the offeror's proposal. Note that a qualified proposal requires submission of only one set of disclosure forms from an offeror. Failure to complete and submit the forms may disqualify the offeror's proposal as being non-responsive.
    - a. Affidavit Disclosing Ownership and Commissions (Form A). As a condition of bidding and doing business with the Government, an offeror must disclose in the form of an affidavit the names of all persons owning more than ten percent of the outstanding interest of the offeror's business during the twelve-month period

immediately preceding the date the proposals are due, including the percentage owned by each such person or entity. The affidavit must be made between the date of issuance of this RFP and the date that proposals are due, so long as the ownership listing mentioned in the affidavit is for the 365-day period preceding the date the offeror submits the proposal.

The same affidavit must also disclose the identity of anyone who has received or is entitled to receive a commission, gratuity, percentage, brokerage or other compensation or contingent arrangement for procuring a contract with the Government or for assisting the offeror in obtaining business related to this RFP, and the value or amounts. Please note that commissions, gratuities, percentages, contingency fees, or other compensation for the purposes stated herein are prohibited by Guam law, except that this prohibition does not apply to fees payable by the offeror upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business.

- b. Affidavit re Non-Collusion (Form B). The offeror must represent that the offer is genuine and not a sham and that the offeror is not in collusion with others, that the offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any other person to put in a sham proposal, to fix the cost of the contract, to secure any advantage against the Government or any person interested in the contract.
  - c. Affidavit re No Gratuities or Kickbacks (Form C). The offeror must represent that it has not violated, is not violating, and promises that it will not violate, the prohibition against gratuities and kickbacks set forth in the Guam Procurement Law. The prohibition is as follows: It is a breach of ethical standards for any person to offer, give, or agree to give any Government employee or former Government employee, or for any Government employee or former Government employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal thereof. Further, it shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement of the award of a contract or order.
  - d. Affidavit re Ethical Standards (Form D). The offeror must represent that it has not knowingly influenced, and promises that it will not knowingly influence, a Government employee to breach any of the ethical standards set out in Guam's procurement code or regulations pertaining to ethics in public contracting.
  - e. Affidavit re Contingent Fees (Form E). The offeror must represent as a part of its proposal that such offeror has not retained any person or agency to solicit or secure a Government of Guam contract upon an agreement or understanding for a commission, percentage, brokerage, or other contingent fee or arrangement, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.
  - f. Declaration for Compliance with US DOL Wage Determination (Form F). Offerors are required to declare in non-affidavit form that they are in compliance with 5 GCA § 5801 and § 5802 regarding wage determination, and the current applicable US DOL Wage Determination must be attached to the declaration.
15. Submission of Contract and Certificate of Insurance Changes and Additions. A proposed contract and a proposed certificate of insurance are included in the RFP at Exhibit Z and Exhibit AA. **PLEASE NOTE: Each offeror is required to submit with its proposal any changes it desires to the proposed contract and to the proposed certificate of insurance. Without notice of requested changes from an offeror, the Negotiating Team will assume and rely upon the proposed contract and the proposed certificate of insurance as the basis of any agreement reached during negotiations.**



16. Submission of Exhibit X – Carriers must sign and submit the affirmation that proposals are consistent in all material aspects. Furthermore, carriers acknowledge the **“All or none proposals”** clause and except in the event the Government subscribes with one insurance carrier for insurance coverage of qualified foster children the Government will not award on an itemized basis.

## **B. Proposal instructions**

1. Inquiries. All questions regarding this RFP must be submitted in writing and received by the Director of Administration on or before **4:00 p.m., Thursday, June 2, 2016, Chamorro Standard time.** Only potential offerors who have obtained an RFP and registered may submit written questions. The Negotiating Team will not respond to inquiries received after the inquiry deadline. Oral statements made by the Negotiating Team, its members or its consultant are not binding. The Negotiating Team will respond in writing and send the response via electronic mail. Potential offerors are encouraged to submit their questions as soon as it is formulated. Delivery of inquiries to the Negotiating Team must be emailed to all individuals as follows:

christine.baleto@doa.guam.gov, cindy.chung@kornferry.com and cc: to both leonora.candaso@doa.guam.gov and adrian.peregrino@doa.guam.gov.

If an inquiry requires an interpretation of the RFP, then the Negotiating Team shall prepare a response in the form of an amendment to the RFP. All registered interested parties shall be provided the amendment. For responses which merely guide the inquirer, the Negotiating Team has the discretion to provide the response to only the inquirer, or to all registered interested parties, depending on the content of the inquiry and response.

2. Sufficiency of proposals. Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective proposal are not desired. Elaborate artwork, expensive visual or other presentations are neither necessary nor desired. The Negotiating Team will look instead for the quality of the information provided. The onus will be on the offeror to convince the Negotiating Team of the offeror's capability to perform services through the documentation enumerated above in this paragraph. As each offeror will have its own unique operation, its financial ability will be assessed individually based on its audited financial statements, convention form, A. M. Best report, and reinsurance treaties, as may be applicable. Factors that will be taken into consideration include, but are not limited to, the following:

- a. Any qualified audit opinion.
- b. The ratio of current assets to current liabilities.
- c. Adequacy of reserves
- d. Ability to generate underwriting gains
- e. History of overall profits or losses
- f. A. M. Best ratings
- g. Reinsurance
- h. Experience in health insurance or HMO underwriting
- i. Experience in Third Party Administration
- j. Risk-based capital report

3. Multiple representations of an insuring company. For the purposes of negotiating the costs and contractual terms, the insurance company shall designate a company representative who shall have full authority to make plan design and rating decision at the negotiation table on behalf of the company.
4. Late proposals. No proposal will be accepted after the deadline for submitting proposals. If a proposal is delivered to the Government of Guam after the deadline for submission, it will be time-stamped and dated by the Government. However, late proposals are considered non-responsive and will not be considered by the Negotiating Team.
5. Form and number of proposals. Each offeror shall prepare one original and (15) numbered hard copies of its proposal. The fifteen (15) copies represents the fourteen (14) copies to be sent to the Government and one (1) copy

to be sent to the Hay Group for a total of fifteen (15) copies. The original and 14 copies must be sent to the Department of Administration and labeled as original and 1 of 14, 2 of 14, 3 of 14, etc. The remaining one (1) copy must be sent to the consultant. Handwritten proposals are not acceptable. Each proposal must be organized, fully assembled and complete. Offerors are reminded of the submission of electronic copies (Questionnaire in Excel and PDF format) in addition to the hard copies.

6. Where and how to submit proposals. Proposal packages must be sealed and mailed or delivered to the following names and addresses. The Government is not responsible for any delivery costs or postage due. Proposals will not be accepted via facsimile or electronic mail (email) as these two mediums do not allow for the proposal to be sealed or submitted in an original form with multiple copies as required by law. Proposals should be marked "confidential."

The original and fourteen (14) copies shall be sent to:

If mailed, to: Director, Department of Administration  
P.O. Box 884  
Hagatna, Guam 96932

If delivered, to: Department of Administration, Director's Office  
590 S. Marine Corps Drive  
Suite 224  
International Trade Center (ITC) Building  
Tamuning, Guam 96913

The remaining one (1) numbered hard copy shall be sent to Hay Group at the address below by initiating express delivery to Hay Group no later than June 24, 2016:

Korn Ferry Hay Group  
Attn: Cindy Chung  
4100 Alpha Road  
Suite 1000  
Dallas, TX 75244

Additionally, an electronic copy must be uploaded to the SFTS no later than 4 p.m. June 24, 2016, Chamorro standard time.

7. Due date and time for proposals. All hard copies of proposals, including a printed copy of the excel file, must be received by the Director of the Department of Administration no later than **4:00 p.m., June 24, 2016, Chamorro Standard Time**. Hard copies of the entire proposal (including hard copies of the Questionnaire and Pricing portions) must be received by this due date and will be the determining factor for the purpose of timely submission. Hard copy of proposals received after this time and date will not be accepted. An electronic version of the proposal must also be uploaded to the secure file transfer site (SFTS) no later than **4:00 p.m., June 24, 2016, Chamorro standard time**.

**The electronic version must include the completed Excel file as well as the entire proposal in PDF format.**

Please note that Guam is one day ahead of the continental United States. The offeror is responsible for submitting the proposals in a timely manner regardless of choice of delivery method. The offeror's transfer of its proposal to the U.S. Post Office or to a delivery company does not constitute receipt by the Government.

### **III. GENERAL PROCEDURES**

#### **A. Receipt and registration of proposals**

Proposals (both electronic and hard copies) and modifications to proposals will be time-stamped upon receipt and held in a secure

place until the established due date. The Government will keep a Register of Proposals Received identifying the proposals, the names of the offerors, and the number of modifications received, if any, by each offeror. The Register is not open for public inspection until after award of a contract. Proposals of offerors not awarded contracts do not become public records.

## **B. Opening of proposals**

After the deadline for submission of proposals and as soon as practical, the proposals will be unsealed by at least two authorized Government representatives who shall be procurement administrators for purposes of this RFP as assigned by the Director of Administration. They shall at all times conduct the administration of this procurement together in the presence of each other. Proposals will not be opened publicly, nor disclosed to unauthorized persons.

## **C. Proposal evaluation and negotiation procedure**

See Exhibit W, a flow chart for the evaluation and negotiation procedure set out in this RFP.

1. **Phase I.** Phase I is the initial screening of all proposals to determine whether the minimum requirements specified in the RFP were met, including submission of qualified proposals as required by Title 4 GCA §§ 4302(c) and 4301.1(e), (f), and (g), submission of all disclosure forms, and whether the proposals were signed as required. The lack of any of the disclosure forms or other information required to be submitted may be cause for a finding of non-responsiveness. Proposals will then be re-sealed and held in safe-keeping by one of the administrators until time for evaluation. If any proposal is determined to be non-responsive by the Negotiating Team, such offeror shall be notified in writing about the determination.

The Negotiating Team shall request of an offeror any documents or information for any proposals received and deemed to be non-responsive or not qualified that will cause said proposals to be responsive and qualified. A proposal shall only be disqualified or rejected if any offeror fails to submit the requested information to the Negotiating Team within three (3) business days after request.

At any time during Phase I, an offeror may be requested by the Negotiating Team or its consultant to provide clarification, documentation, data, or any other additional information to supplement its proposal. Failure to provide such additional information upon request and by the specified deadline may result in a determination that the offeror is non-responsive or non-responsible, whichever is applicable.

2. **Phase II.** Phase II consists of the evaluation of the information provided by the offerors pursuant to Section II of this RFP by the Negotiating Team and the ranking of the offerors based on the evaluation results. A relative weight is assigned to the minimum factors which will be rated on a scale from zero (0) to five (5), with zero (0) for no response and five (5) being the highest possible score. The relative total points is derived by multiplying the relative weight by the points assigned by the Negotiating Team ( $A \times B = C$ ). This process will be implemented until all questions and quotes are rated. The cumulative relative weighted points are derived by adding all relative total points assigned by the Team (summation of C). The total cumulative relative weighted points are then multiplied by the factors assigned to each of the three parts, i.e. 40% for Part 1, 30% for Part 2, and 30% for Costs.

For purposes of evaluations, exclusive proposals will be evaluated and ranked together. Non-exclusive proposals will be evaluated and ranked together.

The offerors will be ranked in accordance with the number of total points. The three highest ranked offerors will be invited to enter into negotiations with the Negotiating Team. After the benefit of reviewing all offers, ranking all offers and determining through the evaluation process the top three highest ranked offerors, the Team will determine the order of negotiations in Phase III. The Negotiating Team will negotiate with offerors in accordance with the decision made about the order of negotiations. Offerors shall be available for negotiations commencing in the month of July, 2016. Otherwise, the evaluations, the assignment of points, and the ranking of offerors and their proposals is for the Negotiating Team's informational purposes only.

During the evaluations, the Negotiating Team and the Consultant may conduct discussions with any offeror, either in person or telephonically. Discussions are discretionary to the Negotiating Team and the Consultant. The purposes of such discussions shall be (a) to determine in greater detail the offeror's qualifications; or (b) to explore with the offeror the scope and nature of



the required services, the offeror's proposed method of performance, and the relative utility of alternative methods of approach.

Discussions shall not disclose any information derived from proposals submitted by other offerors. If requested by the Negotiating Team or its Consultant the issues clarified during discussion should be put into writing by the offeror and submitted to the Negotiating Team within three business days of conclusion of discussions, and may be submitted electronically or via facsimile. The Negotiating Team will provide further instructions as may be necessary.

If the qualified offeror marked any portion or portions of its proposal as being confidential because the information is proprietary information, then those portions shall be reviewed by the Negotiating Team to determine whether they contain confidential or proprietary material. If the Negotiating Team agrees, then the parties shall move on to Phase III. If the Negotiating Team does not agree, then the Negotiating Team must issue a written determination regarding the matter explaining why. If the offeror is dissatisfied with the written determination, then it may withdraw its proposal or submit a protest according to the procedures set out in the Guam Procurement Law.

Upon resolution of confidentiality issues, if any, the Negotiating Team shall notify each registered offeror of the evaluation results to the extent permissible by law via facsimile or email. The Negotiating Team will provide further instructions as may be necessary.

3. Phase III. Phase III is the negotiation process. The Negotiating Team is not bound to seek parity in plan design or rates in negotiations for an exclusive contract. See Rule 200.2, Rule 200.3 and Rule 200.4 of the Group Health Insurance Rules and Regulation, April 1986, found at Exhibit U. The Negotiating Team will seek parity in plan design and parity in rates ratios in negotiations for a non-exclusive contract. Offerors selected to negotiate a non-exclusive contract with the Negotiating Team will be advised of the parity decisions of the Negotiating Team prior to commencement of negotiations for a non-exclusive contract.

The ranked and qualified exclusive offeror chosen as first to negotiate an exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching an agreement with the Negotiating Team. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of an exclusive contract will be set aside for later evaluation and ranking by the Negotiating Team.

The ranked and qualified exclusive offeror chosen as second to negotiate an exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching an exclusive agreement with the Government. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of an exclusive contract will be set aside for later evaluation and ranking by the Negotiating Team.

The ranked and qualified exclusive offeror chosen as third to negotiate an exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching an exclusive agreement with the Government. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of an exclusive contract will be set aside for later evaluation and ranking by the Negotiating Team.

The ranked and qualified non-exclusive offeror chosen as first to negotiate a non-exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching a non-exclusive agreement. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of a non-exclusive contract will be set aside for later presentation to the Governor as one of up to three non-exclusive plan options.

The ranked and qualified non-exclusive offeror chosen as second to negotiate a non-exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching a non-exclusive agreement. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of a non-exclusive contract will be set aside for later presentation to the Governor as one of up to three non-exclusive plan options.

The ranked and qualified non-exclusive offeror chosen as third to negotiate a non-exclusive contract will be invited to negotiate and discuss benefit plan designs and rates with the Negotiating Team, with the intention of reaching a non-exclusive agreement. If an agreement that is fair and reasonable as to rates, other contract terms and contract documents can be reached, this best and final offer of a non-exclusive contract will be set aside for later presentation to the Governor as one of up to three non-exclusive plan options.

4. Phase IV. Phase IV is the evaluation, ranking and choice of the best and final offer of an exclusive contract for later presentation to the Governor. The Negotiating Team, using those factors set out in this RFP, will evaluate, rank and select the best and final offer of an exclusive contract for presentation to the Governor.
5. Phase V. Phase V is the contract choice stage. The governor of Guam decides to execute either the exclusive contract or decides to sign each of the non-exclusive contracts. Pursuant to Title 4 GCA §4301, this choice is exclusively up to the Governor. By law, the contract must also be reviewed and approved by the Department of Revenue & Taxation, Bureau of Budget and Management Research and the Attorney General before the Governor will provide his final approval by signing the contract. No contract is valid and binding until it is signed by the Governor. All finalists acknowledge that only the Governor may bind the Government to this contract and that the issuance of this Request for Proposal does not commit the Government of Guam to award a contract.

**D. Cancellation of RFP or solicitation**

The Negotiating Team may cancel this RFP or solicitation, in whole or in part, at any time, or may reject all proposals so long as the Negotiating Team makes a written determination that doing so is in the best interest of the Government and a contract has not yet been fully signed. In the event of cancellation or rejection of all proposals, proposals that have been unsealed shall remain the property of the Government and not returned to the respective offerors. A proposal that has not been unsealed (such as late proposals) will be returned to the offeror upon request of the offeror.

**E. Rejection of individual proposals**

The Negotiating Team shall have the prerogative to reject proposals in whole or in part when doing so is in the best interest of the Government as provided for in the procurement laws.



Christine Baletto, Director  
Department of Administration

Date: **MAY 26 2016**

**EXHIBIT A**Group Health Insurance Request For Proposal  
Phase I Evaluation Form**INITIAL REVIEW**

<b>YES</b>	<b>NO</b>	<b>Description</b>
		1) Were all components of the proposal received within the timeframe?
		2) Did offeror register as an interested party by completing the "Acknowledgement of Receipt of RFP" and submitting the Acknowledgement?
		3) Original with 14 numbered copies and printed copy of Excel file delivered to the Dept. of Administration.
		4) Items marked as confidential? If Negotiating Team does not agree, Negotiating Team must issue written determination explaining why. Carriers must identify the items deemed as proprietary or trade secret as confidential in their cover memo and in the proposal.
		5) Acknowledgement of Amendments issued, if any.
		6) Acknowledgement of questions and responses issued, if any.
		7) Description of company, capabilities, level of expertise the company can provide.
		8) Cover letter w/authorized signature, name of offeror location, type of business, and designated person with contact information.
		9) Signed Administrative and Marketing Guidelines. Exhibit's N & O
		10) Signed Reporting Guidelines. Exhibit Q
		11) Current Certificate of Authority for insurer
		12) Current Certificate of Authority for reinsurer.
		13) Submitted copy of the reinsurance agreement or reinsurance treaty that transfers the risks for accident and health insurance.
		14) Cost Proposal – including both exclusive and non-exclusive proposals
		15) Proposals for all plan designs – including both exclusive and non-exclusive proposals.
		16) Submitted executed copy of Exhibit X.
		17) Submitted executed copy of Exhibit Y, Wellness Benefit.
		18) Responses to all questions on Exhibit B, Parts 1 and 2 and Exhibit P.
		19) Disclosure Affidavits with original seal: * Disclosing Ownership & Commissions. The affidavit must be made between the date of issuance of this RFP and the date that proposals are due. * Non-Collusion * No Gratuities and Kickbacks * Ethical Standards * Contingent Fees * Declaration for Compliance with US DOL Wage Determination, with current Wage Determination attached. Wage Determination must be attached with this form.



**EXHIBIT B - Part 1 (40%)****Group Health Insurance Request For Proposal  
Phase II Evaluation Form**

All offerors must answer questions found in Exhibit B, Parts 1 & 2, and Exhibit P and attach the responses to both their exclusive and non-exclusive proposals. These answers need to be submitted on the Excel format provided in the RFP package, as well as in PDF format, within the formal response.

Rater No.: \_\_\_\_\_ Date: \_\_\_\_\_ / / Exclusive Carrier / / Non-Exclusive

POSSIBLE POINTS		RELATIVE WEIGHT	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL
		(A) X	(B) =	(C)	(B) =	(C)	(B) =	(C)
			VENDOR:		VENDOR:		VENDOR:	
0 - 5	1. Detail any additional plan design features (not already included in this request) and their cost differentials which you feel would improve the current plan position with minimal cost increase.	1						
0 - 5	2. Explain in detail the method which you would use to calculate the Government of Guam's rates in the first year and in subsequent years.	1						
0 - 5	3. How is your retention calculated? Please be specific. Include all components and their % of the annual premiums.	1						
0 - 5	4. How do you calculate your medical trend factors? What components are considered and used for your calculations? What is your current published and experience trends?	1						
0 - 5	5. How will you reimburse participating providers for medical care? At a minimum, your answer should separately address reimbursements to hospitals, physicians, pharmacies, and off-island providers.	1						
0 - 5	6. How will you reimburse "Non-par" providers of medical care? At a minimum, your answer should separately address reimbursements to hospitals, physicians, pharmacies, and off-island providers.	1						
0 - 5	7. What is your average claims payment lag for your medical/PPO book of business? a) On Guam? b) Outside of Guam?	1						
0 - 5	8. Please confirm if there are other charges other than rates, i.e. marketing costs, printing costs, site meetings, etc., assessed to the Government of Guam?	1						

0 - 5	9. Describe how you would assist the Government of Guam in communicating your plan to its employees, retirees, and survivors. Describe how Vendor will assist the Government with the open enrollment process. Describe the materials and services Vendor will supply to initiate and to implement Vendor's program, including level of participation in the Government's open enrollment process. Provide samples of all implementation materials Vendor will supply to include informational packets on how benefits are impacted for individuals who have Medicare. Identify which services will be included in the basic fee and which will involve additional costs. All proposed costs shall be identified in Vendor's Price Schedule.	1						
0 - 5	10. Explain how the Government of Guam would benefit by contracting with your company.	1						
0 - 5	11. Provide a detailed list of all providers by specialty area and facility type on Guam, The Philippines and the Mainland that will be available to the Government of Guam employees and retirees, including centers of excellence and their specialties. (a) State when the last provider directory was published and how often is it updated. (b) Please describe how your benefit plan coverage is communicated to participating providers. (c) Please indicate which providers currently accept Medicare assignment.	1						
0 - 5	12. How do you define usual, customary and reasonable charges? How do you assign usual, customary and reasonable values to different geographic areas? How frequently are your usual, reasonable and customary charges updated? Under what circumstances do you apply usual, customary, and reasonable charges?	1						
0 - 5	13. How are your rates impacted by minimum enrollment threshold? For example, will rates, retention, etc. change with the number of lives in the plan?	1						
0 - 5	14. Disruption Report: A list of the top 50 utilized providers is included as Exhibit T. Please provide a network disruption analysis based on the availability of these providers in the Vendor's network.	1						
0 - 5	15. Provide and define in detail Vendor's performance standards for which Vendor will provide a guarantee subject to financial penalty. Include a description of the reporting format which measures these standards.	1						

0 - 5	16. Disease Management and Wellness Incentive Program – the Government of Guam has a legal requirement to provide a full wellness program which must include: o Preventive Care (PPACA) o Disease Management o A Wellness program – please see Exhibit Y for specific requirements Please provide in detail your proposal for all of these services as well as how each will be administered.	2					
Cumulative Relative Total		0-85					
<u>Weight of Part 1</u>		40%		X 40%		X 40%	X 40%
<b>Total Weighted Points</b>							



**Exhibit B - Part 2 (30%)****Group Health Insurance Request For Proposal  
Phase II Evaluation Form**

All offerors must answer questions found in Exhibit B, Parts 1 and 2, and Exhibit P and attach the responses to both their exclusive and non-exclusive proposals. These answers need to be submitted on the Excel format provided in the RFP package, as well as in PDF format, within the formal response.

Rater No.: \_\_\_\_\_ Date: \_\_\_\_\_ / / Exclusive Carrier / / Non-Exclusive

POSSIBLE POINTS		RELATIVE WEIGHT	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL
		(A) X	(B) =	(C)	(B) =	(C)	(B) =	(C)
			VENDOR:		VENDOR:		VENDOR:	
N/A	1. The name of the offeror and the location of the offeror's principal place of business.	N/A						
0 – 5	2. If awarded the contract, will you have a customer service office on Guam?	1						
N/A	3. References of three other employers for whom services similar in scope, size or discipline to the required services have been provided by the offeror. The name, address, contact person, and telephone number(s) should be provided.	NA						
N/A	4. The name of the insurance company or companies, including reinsurers, through which this policy will be underwritten. Provide proof that all such insurance companies underwriting the risks are licensed to do business on Guam pursuant to the Insurance Laws of Guam. If any part of the plan would be reinsured, please provide a copy of the face sheet to the reinsurance agreement.	N/A						
0 – 5	5. The offeror must demonstrate that it has the organizational and technological structure necessary to perform the claim processing and administrative required services. Insurance companies and administrators, if applicable, must submit documentation that there exists an adequate mechanism for maintaining records on enrollees. Demonstrate that there exists an effective program for containing costs for medical services (i.e. Disease Management program administered by the carrier/vendor), hospital confinement, and any other benefits that shall be provided	1						

N/A	6. The offer must demonstrate its company's experience and expertise in providing the required services.	N/A						
0 – 5	a. Describe claim paying procedures including review of questionable claims and internal fraud controls.	1						
N/A	b. Indicate the location where claims incurred under the proposed contract would be processed.	N/A						
0 – 5	c. Provide samples of utilization and claims reports, enrollment reports, premium payment reports, large claim reports, and any other reports you will produce which may be of benefit to the Government of Guam in assessing the experience of the plan. This must include (at a minimum) samples of the required reports per Exhibits Q and R of this RFP.	2						
0 – 5	d. Describe custom reporting capabilities, indicating whether the Government and their consultants will have the ability to create reports using an online tool. In the situation where a special data request cannot be fulfilled using an online data tool, will Vendor generate a special report for the Government – at what cost? And how quickly could the report be available?	1						
0 – 5	e. Provide responses to the following questions about your company's online website/portal: i) Is accessible online 24 hours a day, 7 days a week? ii) Coordinates and authorizes pre-certification for covered persons and providers? iii) Allows covered person access to Patient Health Record? iv) Allows covered person access to individual medical, dental and drug claims? v) Allows providers to verify eligibility? vi) Allows covered person to submit deductible claims and claims eligible for reimbursement? vii) Allows providers to submit claims for payment? viii) Allows employer group enrollment and disenrollment? ix) Allows covered persons and providers to download Schedules of Benefits, Member Handbooks and Provider Network information x) Include changes to your company, cheat sheet, Q & A's, highlights of changes, PowerPoint presentation, information on how to access benefits, etc.?	1						



0 - 5	f. Demonstrate that a mechanism exists for coordinating benefits when a person is insured by more than one health insurance plan for the same condition.	1						
0 - 5	7. The offeror must provide a fully-insured but participating contract rate quote for the current plans and the individually requested benefits in Exhibit G. Please refer to Section I.R. Experience Participation Ratio under General Information.	1						
0 - 5	a. Describe the manner in which you proposed to handle medical costs and services on-island.	1						
0 - 5	b. Also, the manner in which you proposed to handle medical costs and services in the event of an accident or illness which occurs while off-island.	1						
0 - 5	c. Further, describe your practice for sending enrolled members off-island for treatment not obtainable on Guam.	1						
0-5	8. The offeror must show evidence of the ability of personnel of the principal insurance company and its local agent, if any, to perform the services required. The technical training, education, experience and the qualifications and abilities of personnel proposed to be assigned to perform the services should be included.	1						
N/A	9. Identify the person(s) who will be responsible for the Government's account. Provide a resume or resumes describing that person or persons' qualifications and experience, including the name(s), address(es), telephone number(s), and the position title(s) for such persons.	N/A						
N/A	10. If vendor is proposing as a team or joint venture or has included sub-contractors, describe the rationale for selecting the team and the extent to which the team, joint ventures and/or sub-contractors have worked together in the past.	N/A						
N/A	11. Provide a detailed organizational chart that includes all personnel to be assigned to this project, work assignments and job descriptions.	N/A						
0 - 5	12. Provide the offeror's most recent financial rating status for the following rating agencies: A.M. Best, Standard & Poor's, Fitch, and Moody's. If the offeror's financial rating has changed within the past 12 months for any of the rating agencies, indicate the new rating and the date received. If the rating has not changed within the past 12 months, please indicate.	1						
0 - 5	13. For how many persons do you provide medical and/or dental coverage other than for the	1						



	Government of Guam?				
Cumulative Relative Total	0 - 75				
Weight of Part 1	30%	x 30%	x 30%	x 30%	
Total Weighted Points					

**EXHIBIT B - Part 3 – Evaluation of Costs (30%)****Group Health Insurance Request For Proposal  
Phase II Evaluation Form**

All offerors must answer questions found in Exhibit B, Parts 1 and 2, and Exhibit P and attach the responses to both their exclusive and non-exclusive proposals. These answers need to be submitted on the Excel format provided in the RFP package, as well as in PDF format, within the formal response. Costs will be evaluated by the Negotiating Team; the Negotiating Team's consultants may advise the Negotiating Team based on their review. This portion is worth 30% of the total score.

**Process for evaluation of costs:**

1. For each plan requested, the total annual premium will be evaluated on a scale of 0 to 5. Evaluators shall use whole numbers only. The total annual premium will be provided by each offeror. The annual premium will be determined by the quoted insured premiums times the current enrollment figures times 12. The lowest cost for each item will receive the highest score from each evaluator, the next lowest cost will receive the second highest score from each evaluator, etc.
2. A relative weight is assigned to the minimum factors which will be rated on a scale from zero (0) to five (5), with zero (0) for no response and five (5) being the highest possible score.
3. For each alternative plan design component requested, the cost impact will be evaluated on a scale of 0 to 5. Evaluators shall use whole numbers only. The total annual cost will be determined in the same manner as noted above for fully insured plans. The lowest cost for each item will receive the highest score from each evaluator, the next lowest cost will receive the second highest score from each evaluator, etc.
4. In the event that there are greater than six (6) offerors to be evaluated, the "possible POINTS" will be increased so that there are a correct number of integers with which to score.

Rater No.: \_\_\_\_\_ Date: \_\_\_\_\_ / / Exclusive Carrier / / Non-Exclusive

POSSIBLE POINTS		RELATIV E WEIGHT	EVALUATO R SCORE	RELATIV E TOTAL	EVALUATO R SCORE	RELATIV E TOTAL	EVALUATO R SCORE	RELATIV E TOTAL
		(A) X	(B) =	(C)	(B) =	(C)	(B) =	(C)
			VENDOR:		VENDOR:		VENDOR:	
0 – 5	1. Proposed FY17 PPO1500 deductible plan: evaluation for total annual premium without adjustments for alternative plan designs	8						
0 – 5	2. Proposed FY17 HSA2000 deductible plan: evaluation for total annual premium without adjustments for alternative plan designs	6						
0 – 5	3. Dental plan: evaluation for total annual premium without adjustments for alternative plan designs	3						
N/A	4. Provide the percentage of guaranteed retention for the following fully insured, but participating, contracts: (The lowest retention would receive the highest score.)	N/A						
0 – 5	a) HSA2000	1						
0 – 5	b) PPO1500	1						
0 – 5	c) Dental	.5						
0 – 5	d) RSP	1						

N/A	5. Quote(s) for Retiree Supplemental Plan (RSP) under current plan design:	N/A						
0 - 5	a) For eligible retirees, survivors <u>age 65 and older, and eligible retirees and survivors under 65 years of ages with a disability or ESRD.</u> This will be a stand-alone product to be made available to eligible retirees and/or survivors who are insured with Medicare Parts A&B, and to those eligible retirees and survivors who have Medicare Parts A & B due to a disability or ESRD. Assume that an eligible subscriber who would otherwise enroll in Class 1 PPO or HSA plan may only enroll in the <u>Retiree Supplemental Plan (RSP)</u> . Include any impact to proposed rates for the PPO1500 and HSA2000 plans.	5						
0 - 5	b) Quote for Dental coverage for these retirees and survivors who elect the RSP. Include any impact to proposed rates for the Dental plans (i.e. please be clear if rates for actives differ from retirees)	3						
0 - 5	6. Quote for Foster Plan with all in-network coverage paid at 100%	N/A						
0-5	a) Medical Plan	1						
0-5	b) Dental Plan	0.5						
0 - 5	7. Alternative Plan Design: Proposal for the same plan details as the Proposed FY16 PPO 1500 plan, but with a \$1,300 annual individual deductible and \$2,600 annual family deductible – all other plan details remain the same.	1						
N/A	8. Quote for a two-year contract term for the following plans:	N/A						
0-5	a) Proposed FY16 PPO1500 Plan	2						
0-5	b) Proposed FY16 HSA2000 Plan	1						
0-5	c) Proposed FY16 Dental Plan	0.5						
0-5	d) Retiree Supplemental Plan	1.5						
	e) Foster Plan							
0 - 5	9. Treatment for tuberculosis	0.5						
0 - 5	10. Outpatient lab covered at 100%	1						
N/A	11. Include pricing for the following DENTAL plan alternatives (if applicable, provide impact separately for RSP subscribers):	N/A						
0 - 5	a) Annual maximum at \$1,500 per person	0.5						
0 - 5	b) Annual maximum of \$2,000 per person	0.5						
0 - 5	12. Include dental rates for unbundling coverage from the Medical Plan (standalone dental plan)	1						
N/A	13. Major dental and replacement care:	N/A						
0 - 5	a) Participating provider covered at 70%	0.5						



0 - 5	b) Non -Participating provider covered at 45%	0.5			
Cumulative Relative Total		0 – 202.5			
Weight of Part 1		30%	x 30%	x 30%	x 30%
Total Weighted Points					

SCORING	TOTAL POINTS
Part 1 Total Weighted Points	
Part 2 Total Weighted Points	+
Part 3 Total Weighted Points	+
<b>Cumulative Total Weighted Points</b>	=

Only for initial ranking: total premiums will be reduced by 4% Business Privilege Tax (BPT) for those organizations not benefiting from a BPT abatement.

### **EXHIBIT C – Part 1**

#### Group Health Insurance Request For Proposal Phase IV Evaluation Form (Post Negotiations) Exclusive Contract

Final negotiated exclusive contract rates will be evaluated by the Negotiating Team; the Negotiating Team's consultants may advise the Negotiating Team based on their review. For each item below, the total annual premium will be evaluated on a scale of 0 to 5. Evaluators shall use whole numbers only. The total annual premium will be that which is the result of final negotiations with each bidder. The annual premium will be determined by the quoted insured premiums times the current enrollment figures times 12. The vendor with the lowest cost will receive the highest score, etc.

As to number 3, the vendor with the lowest retention rate will receive the highest score, etc.

For each alternative plan design component requested, the cost impact will be evaluated on a scale of 0 to 5. The total annual cost will be determined in the same manner as noted above for fully insured plans.

**NOTE:** The Negotiation Team reserves the right to amend Exhibit C Phase IV Evaluation Form to reflect an evaluation of final negotiated basic plan design and negotiated alternative plan designs which Negotiating Team intends to recommend to the Governor.

POSSIBLE POINTS		RELATIVE WEIGHT	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL
		(A) X	(B) =	(C)	(B) =	(C)	(B) =	(C)
			VENDOR:		VENDOR:		VENDOR:	
0 - 5	1. Final negotiated rates for Medical/Drug plan design (PPO1500 & HSA2000)	7						
0 - 5	2. Final negotiated rates for Dental plan design	3						
N/A	3. Final percentage of guaranteed retention for the following fully insured, but participating contracts:	N/A						
0 - 5	a. HSA2000	1						
0 - 5	b. PPO1500	1						
0 - 5	c. Dental	0.5						
0 - 5	d. RSP	1						
0 - 5	4. Final negotiated rates for RSP	2						
0 - 5	5. Final negotiated rates for Dental coverage with RSP participants eligible	1						
0 - 5	6. Final negotiated rate for the same plan details as the \$1,500 deductible plan but with a \$1,300 annual deductible and \$2,600 annual family deductible – all other plan details remain the same.	1						
N/A	7. Quotes for two-year contract terms	N/A						
0 - 5	a) PPO1500	2						
0 - 5	b) HSA2000	1						
0 - 5	c) Dental	0.5						
0 - 5	d) Retiree Supplement Plan (RSP)	1.5						

0 - 5	8. Treatment for TB.	0.5					
0 - 5	9. Outpatient laboratory covered at 100%.	1					
N/A	10. Final negotiated rate for the following DENTAL plan alternative:	N/A					
0 - 5	a) Annual maximum at \$1,500 per person	0.5					
0 - 5	b) Annual maximum of \$2,000 per person	0.5					
0 - 5	11. Final negotiated rate for unbundling Dental from the Medical Plan.	1					
N/A	12. Major dental and replacement care:	N/A					
0 - 5	a) Participating provider covered at 70%.	0.5					
0 - 5	b) Participating provider covered at 45%.	0.5					
0 - 5	13. Final negotiated Vendor's performance standards for which Vendor will provide a guarantee subject to financial penalty.	1					
0 - 5	14. Final satisfaction with the company's experience and expertise in providing the required services. Including the following:  a. Claim paying procedures including review of questionable claims and internal fraud controls. b. Utilization and claims reports, enrollment reports, premium payment reports, large claim reports, and any other reports which may be of benefit to the Government of Guam in assessing the experience of the plan including ad hoc reporting capabilities and costs, if any. c. Satisfaction that a mechanism exists for coordinating benefits when a person is insured by more than one health insurance plan for the same condition.	1					
0 - 5	15. Satisfaction that the vendor has the organizational and technological structure necessary to perform the claim processing and administrative required services and that an adequate mechanism for maintaining records on enrollees. Satisfaction that the carrier has an effective program for containing costs for medical services (i.e. Disease Management program administered by the carrier/vendor), hospital confinement, and any other benefits that shall be provided.	1					
<b>Total Weighted Points</b>		0 - 150					



## **EXHIBIT C – Part 2**

### Group Health Insurance Request For Proposal Phase IV Evaluation Form (Post Negotiations) Foster Plan Exclusive Contract

Final negotiated exclusive contract rates will be evaluated by the Negotiating Team; the Negotiating Team's consultants may advise the Negotiating Team based on their review. For each item below, the total annual premium will be evaluated on a scale of 0 to 5. Evaluators shall use whole numbers only. The total annual premium will be that which is the result of final negotiations with each bidder. The annual premium will be determined by the quoted insured premiums times the current enrollment figures times 12. The vendor with the lowest cost will receive the highest score, etc.

As to number 3, the vendor with the lowest retention rate will receive the highest score, etc.

For each alternative plan design component requested, the cost impact will be evaluated on a scale of 0 to 5. The total annual cost will be determined in the same manner as noted above for fully insured plans.

NOTE: The Negotiation Team reserves the right to amend Exhibit C Phase IV Evaluation Form to reflect an evaluation of final negotiated basic plan design and negotiated alternative plan designs which Negotiating Team intends to recommend to the Governor.

POSSIBLE POINTS		RELATIVE WEIGHT	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL	EVALUATOR SCORE	RELATIVE TOTAL
		(A) X	(B) =	(C)	(B) =	(C)	(B) =	(C)
			VENDOR:		VENDOR:		VENDOR:	
0 - 5	1. Final negotiated rates for Foster Plan	7						
0 - 5	2. Final negotiated rates for Foster Dental plan	3						
	3. Quote for two-year contract terms	1						
N/A	4. Final negotiated rate for the following DENTAL plan alternative:	N/A						
0 - 5	a) Annual maximum at \$1,500 per person	0.5						
0 - 5	b) Annual maximum of \$2,000 per person	0.5						
<b>Total Weighted Points</b>		0 - 60						